

ORGANIZATION FOR THE PROTECTION AND ADVANCEMENT OF SMALL TELEPHONE COMPANIES

21 DUPONT CIRCLE, N.W., SUITE 700 WASHINGTON, D.C. 20036 202/659-5990 ● 202/659-4619 (FAX)

DOCKET FILE COPY ORIGINAL

RECEIVED

APR 1 4 1993

April 14, 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Donna R. Searcy Secretary Federal Communications Commission Room 222 1919 M Street, NW Washington, DC 20554

Re:

Safeguards to Improve the

Administration of the Interstate

Access Tariff and Revenue

Distribution Processes

CC Docket No. 93-6

RM 7736

Dear Ms. Searcy:

Please find enclosed for filing the original and eleven copies of the Organization for the Protection and Advancement of Small Telephone Companies' comments in the abovecaptioned proceeding.

Thank you for your assistance in this matter.

Sincerely,

Lisa M. Zaina

General Counsel

LisaM. Zaina (D)

No. of Copies rec'd__

ListABCDE

DOCKET FILE COPY ORIGINAL

RECEIVED

APR 1 4 1993

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

FEDERAL COM	MUNICATIONS	COMMISSION
OFFICE	OF THE SECR	ETARY

In the Matter of)	
)	/
)	/
Safeguards to Improve the)	CC Docket No. 93-6
Administration of the Interstate)	RM 7736
Access Tariff and Revenue)	·
Distribution Process	j	

COMMENTS OF THE ORGANIZATION FOR THE PROTECTION AND ADVANCEMENT OF SMALL TELEPHONE COMPANIES

OPASTCO 21 Dupont Circle, NW Suite 700 Washington, DC 20036 (202) 659-5990

April 14, 1993

APR 1 4 1993

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of:)	
)	
Safeguards to Improve the)	CC Docket No. 93-6
Administration of the Interstate)	RM 7736
Access Tariff and Revenue)	
Distribution Processes	Ì	

COMMENTS OF THE ORGANIZATION FOR THE PROTECTION AND ADVANCEMENT OF SMALL TELEPHONE COMPANIES

The Organization for the Protection and Advancement of Small Telephone Companies (OPASTCO) hereby submits these comments in the above-captioned proceeding.¹ The existence of the National Exchange Carrier Association (NECA) is crucial to the well-being of the small and rural companies that OPASTCO represents. Therefore, OPASTCO finds that it is important to participate in this proceeding to underscore the importance of NECA to small LECs and ensure that NECA is able to continue to provide these vital services. The composition of the NECA Board of Directors (NECA Board) is of particular interest to small and rural companies. Consequently, OPASTCO will concentrate on that portion of the NPRM that addresses this issue.

Access Tariff and Revenue Distribution Processes, Notice of

OPASTCO is a national trade association of more than 400 independently owned and operated telephone companies serving rural areas of the United States and Canada. Its members, which include both commercial companies and cooperatives, together serve almost two million customers. Many of OPASTCO's members rely on NECA as their tariff filing agent. Moreover, they participate in the pools administered by NECA. Consequently, NECA's well-being is vital to OPASTCO member companies.

The composition of the NECA Board is very important to small and rural LECs. There are many activities that NECA performs that allow these LECs to efficiently serve their subscribers. First, NECA administers revenue pools for interstate access services. Monthly payments from these pools provide the companies with more predictable cash flows than they could achieve individually. NECA also administers the Universal Service Fund (USF), a Federal/State program that helps to offset the high operating costs of some telephone companies, enabling them to keep local rates at reasonable levels. Moreover, NECA develops formulas to achieve average schedule pool settlements that simulate cost company settlements. Average schedule companies receive pool settlements based on their demand units, rather than conduct cost studies. In addition, NECA administers the low income subscriber assistance programs. A strong Board of Directors is needed for all of the important functions that NECA performs.

In 1991, NECA petitioned the FCC to amend Section 69.602 of its rules to add two directors from outside the telephone industry to NECA's Board. In addition, it also filed a petition for waiver of the Commission's rules proposing to include outside directors on its Board pending Commission action on the NECA petition for rulemaking. The Commission allowed NECA to elect two outside directors for the January 1 through December 31, 1992 term. Granting this request was wise. The addition of the two outside directors has been very beneficial to the NECA Board and its operations.

The two outside directors have become an integral part of the NECA Board and its activities. The current two outside directors bring an invaluable non-industry perspective to the NECA Board that is quite beneficial. OPASTCO concurs with the Commission's conclusion that it should include the two outside directors on a permanent basis.

The Commission states that NECA's principal concern must be compliance with NECA's rules and questions whether the current Board configuration is optimal to address this concern. OPASTCO believes that the current configuration (including the two outside directors) is appropriate and should be maintained.

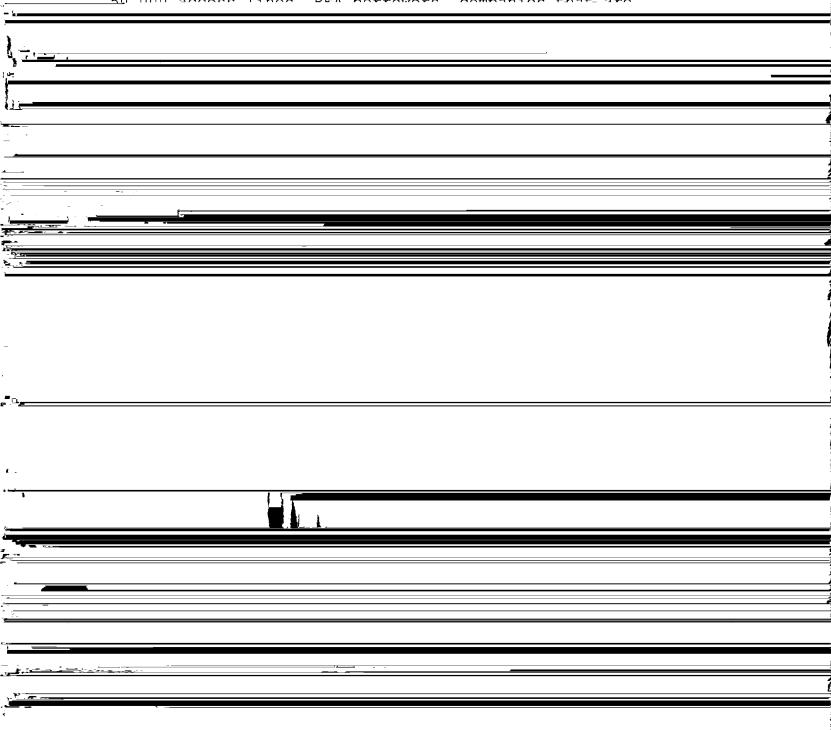
It is imperative that the NECA Board composition represent its members. Thus, the fact that there is greater number of Subset III directors than Subsets I and II is better understood

And dentermalated the universe of TECO personated by these

companies. A great number of the Subset III companies participate directly in the NECA pools and tariffs. In addition, the Subset III directors represent companies of disparate characteristics and needs.

There are many differences among the Subset III companies.

Among those companies are average schedule companies, cost companies, companies with as few as 100 lines to those with

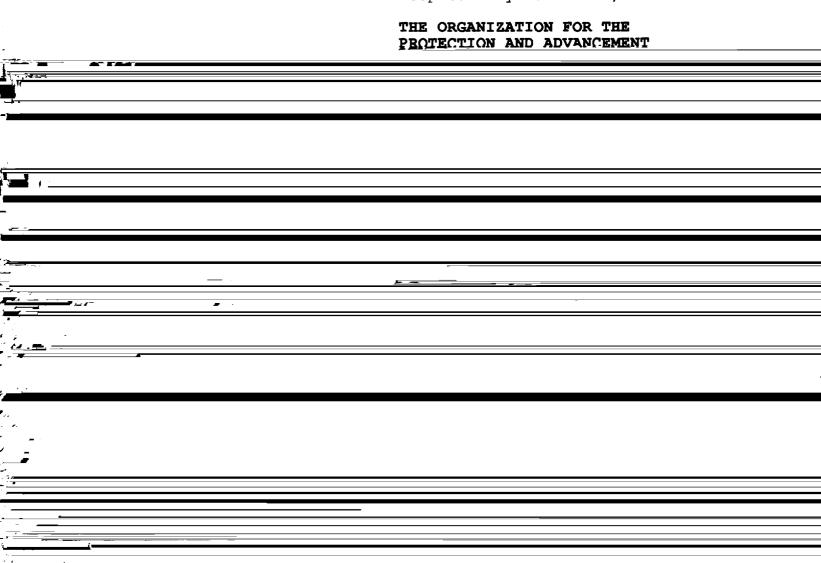


composition that the Subset III companies require at least the percentage of directors that they have.

CONCLUSION

OPASTCO is very interested in this proceeding. In the representation of small and rural companies, it is very important to OPASTCO that NECA remain a strong organization. The key to this strength will be the addition of the two outside directors on a permanent basis. In addition, the current composition of nine Subset III, three Subset II and three Subset I directors must be maintained.

Respectfully submitted,



CERTIFICATE OF SERVICE

I, Megan A. Gillispie, hereby certify that a copy of OPASTCO's comments was sent on this, the 14th day of April, 1993, by first class United States mail, postage prepaid, to those listed below.

Megan A. Gillispie

Thegan A Hillispel

ITS, Inc. 2100 M Street, NW Suite 140 Washington, DC 20037